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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Cir. 1974).

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## FCC CITES CALIFORNIA ONLINE RETAILER FOR IMPORTING AND MARKETING ILLEGAL SMARTPHONES

Warns That Importing and Marketing Counterfeit Smartphones May Result In Significant Penalties

Washington, D.C. – The FCC Enforcement Bureau has cited Panasystem Corp., a California-based online electronics retailer, for importing and marketing counterfeit smartphones marked with unauthorized or invalid labels falsely indicating that the devices were certified by the FCC.

"We will not tolerate the importation and marketing of counterfeit devices," said Travis LeBlanc, Acting Chief of the Enforcement Bureau. "The trafficking of these devices not only robs the intellectual property of legitimate manufacturers, it harms consumers by failing to provide them with safe and certified smartphones that comply with the FCC's equipment authorization process."

The FCC investigation identified the smartphones imported by Panasystem as counterfeit Samsung models "Galaxy S Duos" and "Galaxy Ace." Although these devices were labeled with seemingly-valid Samsung FCC Identifiers, the investigation showed that Samsung neither manufactured the devices nor authorized the FCC Identifier labels. The investigation also revealed that another set of smartphones imported by Panasystem contained counterfeit BlackBerry model 9790 devices. These smartphones were labeled with invalid FCC Identifiers, which rendered them illegal for sale in the United States.

Federal law requires smartphones to be certified in accordance with FCC technical standards before they can be marketed in the United States. Certified smartphones are labeled with a unique FCC Identifier that may not be placed on devices without authorization.

The FCC Identifier is comprised of a three to five character grantee code that is assigned permanently to a company for use on all of its authorized devices and a longer product code that the company assigns to a particular model. The FCC Identifier must be permanently stamped, etched, or otherwise printed on the device and be readily visible to consumers. Smartphones labeled with invalid or unauthorized FCC Identifiers are illegal to import into the United States, and the FCC will impose significant fines on companies marketing uncertified devices to U.S. consumers.

The FCC Enforcement Bureau's Citation notifies Panasystem that: (1) it must take immediate steps to come into compliance and discontinue the importation and marketing of uncertified radio frequency devices, such as smartphones; (2) if it continues to import and market uncertified devices, it may be subject to penalties of up to \$16,000 for each model per day for each violation, up to \$122,500 for any single act or failure to act; and (3) subsequent violations of the FCC's marketing rules may also result in seizures of uncertified equipment as well as criminal sanctions, including imprisonment.

The Citation issued to Panasystem Corp. is available at:

http://hraunfoss.fcc.gov/edocs\_public/attachmatch/DA-14-658A1.pdf